

SENATE BILL 1768  
By Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 33; Title 56  
and Title 68, relative to funding for mental health services.

WHEREAS, Tennessee has had a proud tradition for many decades of providing appropriate and humane care for its most vulnerable citizens, the mentally ill and emotionally disturbed, regardless of their financial ability to pay for such care; and

WHEREAS, officials of the Board of Trustees of Moccasin Bend Mental Health Institute have asked the department of mental health and mental retardation to eliminate its restrictions on marketing, purchasing, programs, services provided, personnel and information systems, allowing Moccasin Bend Mental Health Institute basic autonomy to compete fairly on a level playing field as contemplated in the new managed care environment; and

WHEREAS, TennCare Partners Program is a system, which by its structure assures maximum utilization of private for-profit health care providers and minimum utilization of the regional mental health institutes, thereby quietly achieving through this restructuring the likely closure of one or more of such institutes; and

WHEREAS, the designated procedures for billing the behavioral health organizations for services provided by the regional mental health institutes are spelled out in the TennCare Partners Providers Agreement and approximately six million dollars (\$6,000,000) of billings for services provided by Moccasin Bend Mental Health Institute to the BHOs (Premier Behavioral Health and Tennessee Behavioral Health) from July, 1996, through December, 1996, remain unpaid; now, therefore,

**\*19814722\***

19814722

**\*003031\***

\*00303128\*

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. For a period of two (2) years after the effective date of this act, the department of mental health and mental retardation or its successor shall make monthly payments of state funds to Moccasin Bend Mental Health Institute and the other regional mental health institutes, when added to the TennCare/third party payments and reimbursements and all other institute income, sufficient for each institute to meet all budgeted expenses, specifically including sufficient payroll, to maintain staffing levels (and patient/staff ratios) as required by the joint commission on the accreditation of hospitals for maintaining continued accreditation. The state shall thereby satisfy the department of justice consent decree and maintain established standards of care.

SECTION 2. The department of mental health and mental retardation or its successor shall review the amount of such payments every ninety (90) days, and adjust the payments in accordance with the average daily census of each institute for the preceding ninety (90) day period.

SECTION 3. Beginning immediately after the effective date of this act, the department of mental health and mental retardation or its successor shall take those steps reasonably necessary to eliminate all restrictions on marketing, purchasing, programs, services provided, personnel and information systems now imposed on the regional mental health institutes in order to afford the institutes the autonomy and freedom of operation necessary to compete fairly with private care providers as contemplated under TennCare Partners Program.

SECTION 4. This act shall take effect July 1, 1997, the public welfare requiring it.